

**GREATER NEW ORLEANS  
SPORTS FOUNDATION**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/5/07

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
**Greater New Orleans Sports Foundation**  
New Orleans, Louisiana

We have audited the accompanying statement of financial position of the **Greater New Orleans Sports Foundation** (a non-profit organization) as of December 31, 2006 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the **Greater New Orleans Sports Foundation**. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Greater New Orleans Sports Foundation** as of December 31, 2006, and results of operations and the changes in its net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**Greater New Orleans Sports Foundation**  
New Orleans, Louisiana  
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2007 on our consideration of the **Greater New Orleans Sports Foundation's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included in the report (shown on page 12) is presented for the purpose of additional analysis and is not a required part of the financial statements of the **Greater New Orleans Sports Foundation**. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 25, 2007

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2006**

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**ASSETS**

Cash and cash equivalents (NOTE 2)	\$ 370,291
Receivable (NOTE 4)	334,361
Prepaid expenses	862
Office furniture and equipment, net of accumulated depreciation of \$202,704 (NOTES 2 and 3)	<u>15,430</u>
Total assets	\$ <u>720,944</u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable	\$ 152,316
Deferred Revenue	<u>2,000</u>
Total liabilities	154,316
Net Assets (NOTE 2):	
Unrestricted net assets	<u>566,628</u>
Total net assets	<u>566,628</u>
Total liabilities and net assets	\$ <u>720,944</u>

The accompanying notes are an integral part of these financial statements.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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**Revenues and Other Support**

Grant revenue (NOTE 9)	\$ 321,359
Management fees	224,035
Membership revenues	115,020
Interest	15,590
Fund Raising	45,200
Contributions	6,000
Sponsorships	35,000
Other revenue	<u>23,002</u>

Total revenues and other support	<u>785,206</u>
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**Expenses**

Support Services	446,276
Program Services	<u>746,542</u>

Total expenses	<u>1,192,818</u>
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Change in net assets	(407,612)
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Net assets, beginning of year	<u>974,240</u>
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Net assets, end of year	\$ <u>566,628</u>
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The accompanying notes are an integral part of the financial statements.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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Cash Flows From Operating Activities

Change in net assets	\$ (407,612)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation	12,764
Decrease in accounts receivable	427,276
Decrease in prepaid expenses	8,385
Decrease in accounts payable	(19,030)
Increase in deferred revenue	<u>2,000</u>
Net cash used in operating activities	<u>23,783</u>

Cash Flows From Investing Activities

Net decrease in cash and cash equivalents	23,783
Cash and cash equivalents, January 1, 2006	<u>346,508</u>
Cash and cash equivalents, December 31, 2006	\$ <u>370,291</u>

The accompanying notes are an integral part of these financial statements.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - Organization:**

The **Greater New Orleans Sports Foundation (the Foundation)** was formed on August 2, 1988 as a non-profit organization to bring together by association, sports minded people who will devote a portion of their time, energy and financial support to the development of sport tourism and related industries in the City of New Orleans and surrounding regions. Also, **the Foundation** was organized to provide for the exchange among members of the organization such information, ideas and support necessary to attract and assist in the coordination and production of sports events in the New Orleans area.

**NOTE 2 - Summary of Significant Accounting Policies:**

**Principles of Accounting**

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Basis of Reporting**

**The Foundation** has adopted SFAS No. 117 which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (i.e. unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) according to externally (donor) imposed restrictions.



**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 2 - Summary of Significant Accounting Policies, Continued:**

**Basis of Reporting, Continued**

A description of the three (3) net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of **the Foundation** are included in this category. **The Foundation** has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of **the Foundation**, and therefore, **the Foundation's** policy is to record these net assets as unrestricted.

Temporarily restricted net assets include realized gains and losses, investment income and gifts, appropriations and contributions for which donor-imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions.

At December 31, 2006, **the Foundation** did not have any temporarily or permanently restricted net assets.

**Fixed Assets**

Fixed assets are stated at cost, if purchased, or at fair market value at the date of the gift, if donated. Depreciation is provided using the straight-line method over the estimated useful life of the equipment, which is 5 years.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 2 - Summary of Significant Accounting Policies, Continued:**

**Cash and Cash Equivalents**

Cash consists solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows.

**Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

**NOTE 3 - Fixed Assets:**

Changes in office furniture and equipment and leasehold improvements during the year ended December 31, 2006 were as follows:

<u>Description</u>	<u>Balance January 1, 2006</u>	<u>Additions (Deletions)</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Balance December 31, 2006</u>
Office furniture and equipment	\$218,134	\$ -0-	\$ (202,704)	\$ 15,430
Leasehold Improvements	<u>69,974</u>	<u>(69,974)</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$288,108</u>	<u>\$(69,974)</u>	<u>\$(202,704)</u>	<u>\$15,430</u>

Depreciation expense for the year ended December 31, 2006 totaled \$12,764.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 4 - Accounts Receivable:**

For the year ended December 31, 2006, amounts included in accounts receivable were funds due to **the Foundation** from various sporting events, as well as funds from grantors and other agencies. Receivable for the year ended December 31, 2006 totaled \$334,361.

**NOTE 5 - Income Taxes:**

**The Foundation** is exempt from corporate income taxes under Section 501(c)(4) of the Internal Revenue Code.

**NOTE 6 - Concentration of Credit Risk:**

At December 31, 2006, **the Foundation** has cash and cash equivalents totaling \$449,249 as follows:

Checking Account	\$ 21,806
Interest-bearing demand deposits	369,479
Money market account	57,328
Other	<u>636</u>
Total	\$ <u>449,249</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2006, **the Foundation** has \$449,249 in deposits. These deposits are secured from risk by \$100,000 of federal deposit insurance. As of December 31, 2006, **the Foundation** has \$349,249 in excess of FDIC.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 7 - Fair Value of Financial Instruments:**

The estimated fair value of all significant financial amounts have been determined by **the Foundation** using available market information and appropriate valuation methodologies. **The Foundation** considers the carrying amounts of cash and cash equivalents, and accounts receivable to be the fair value.

**NOTE 8 - Related Party Transaction:**

**NEW ORLEANS BOWL**

Certain board members of **the Foundation** are also board members of the New Orleans Bowl, Inc. **The Foundation** has contracted with the New Orleans Bowl (a non-profit corporation), to manage and handle the administrative functions of hosting the New Orleans Bowl. **The Foundation** provides office space, meeting space, utilities, and the use of all office furniture and equipment, as well as providing any and all personnel needed to host the New Orleans Bowl. The New Orleans Bowl provided **the Foundation** with tickets valued at \$146,160 for services rendered to the New Orleans Bowl.

**2005 Junior Olympic Games**

Certain board members of **the Foundation** are also board members of the 2005 Junior Olympic Games, Inc. **The Foundation** has contracted with the 2005 Junior Olympic Games, Inc. (a non-profit corporation), to manage and handle the administrative functions of hosting the 2005 Junior Olympic Games. **The Foundation** provided office space, meeting space, utilities, and the use of all office furniture and equipment as well as providing any and all personnel needed to host the 2005 Junior Olympic Games. The board of the 2005 Junior Olympic Games, Inc. passed a resolution to dissolve the company and to transfer all assets, liabilities, and profits from the 2005 Junior Olympic Games to **the Foundation**. The total amount transferred to **the Foundation** from the 2005 Junior Olympic Games totaled \$675,908 and was recognized as management fees in 2005.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 9 - Grant Revenue:

**The Foundation** is the recipient of grant funds from various sources in the amount of \$321,359. The grants were primarily utilized to support the activities of the Greater New Orleans Sports Foundation.

**The Foundation** was primarily funded through the following grants for the year ended December 31, 2006.

<u>Funding Source</u>	<u>Revenue</u>
State of Louisiana Department of Culture, Recreation, and Tourism	\$ 319,359
Other Grants	<u>2,000</u>
Total	\$ <u>321,359</u>

## **SUPPLEMENTAL INFORMATION**

**GREATER NEW ORLEANS SPORTS FOUNDATION****Schedule of Functional Expenses****for the year ended December 31, 2006**

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	<b><u>Support</u></b>	<b><u>Program</u></b>	<b><u>Total</u></b>
	<b><u>Services</u></b>	<b><u>Services</u></b>	<b><u>Expenses</u></b>
Salaries and related benefits	\$ 276,123	\$ 276,123	\$ 552,246
Insurance	54,182	54,182	108,364
Rent	-	11,895	11,895
Utilities	-	1,233	1,233
Repairs and maintenance	-	187	187
Furniture and equipment	-	2,510	2,510
Telephone	16,756	16,756	33,512
Internet Services	5,351	5,351	10,702
Supplies	-	3,680	3,680
Computer	-	4,990	4,990
Postage	-	3,335	3,335
Transportation	16,234	-	16,234
Bank charges, fees, and interest	-	2,269	2,269
Miscellaneous	-	3,797	3,797
Printing	8,862	-	8,862
Professional services	21,655	-	21,655
Depreciation and amortization	-	12,764	12,764
Conference and meeting	11,701	-	11,701
Travel	25,365	-	25,365
Entertainment and gifts/awards	-	1,344	1,344
Dues/Subscriptions	-	2,815	2,815
Donated Memberships	3,200	-	3,200
Donation/Event Tickets	5,820	-	5,820
Membership Fullfillment	1,027	-	1,027
New Orleans Bowl Tickets	-	223,820	223,820
Post Katrina expenses	-	5,311	5,311
Event Expenses	-	69,019	69,019
License/ Taxes/ Permits	-	65	65
2005 AAUJO Expenses	-	45,096	45,096
Total	<u>\$ 446,276</u>	<u>\$ 746,542</u>	<u>\$ 1,192,818</u>



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
**Greater New Orleans Sports Foundation**  
New Orleans, Louisiana

We have audited the financial statements of the **Greater New Orleans Sports Foundation (the Foundation)** as of and for the year ended December 31, 2006, and have issued our report thereon dated June 25, 2007. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the **Foundation's** internal control over financial basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **Foundation's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **Foundation's** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate authorize, record process, or report financial statements that is more remote



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. Under Louisiana revised statute 24:513, this report is distributed by the Legislative Auditor as a public document.

This report is intended solely for the information and use of management, others within the entity, and the Board of Directors, and the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana revised statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*  
BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS

June 25, 2007

**GREATER NEW ORLEANS SPORTS FOUNDATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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We have audited the financial statements of **Greater New Orleans Sports Foundation** as of and for the year ended December 31, 2006, and have issued our report thereon dated June 25, 2007. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2006 resulted in an unqualified opinion.

**Section I - Summary of Auditors' Reports:**

- a. Report on Internal Control and Compliance Material to the Financial Statements
  - Internal Control
  - Material Weaknesses/Reportable Conditions **No**
  - Compliance
  - Compliance Material to Financial Statements **No**
- b. Federal Awards
  - Not Applicable
- c. Identification of Major Programs
  - Not Applicable

**Section II - Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards:**

NONE

**Section III - Findings and Questioned Costs Related to Federal Awards:**

NOT APPLICABLE